

Object Codes: Update 2021

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Object Codes

Summary

- Changes will go into effect January 1, 2021
- Software will no longer be categorized as capitalized or not capitalized
- Software will no longer be included in object code 655
- Object 742 will no longer be a valid object code
- Supplies and equipment have a distinct division between technology related and non-technology related expenditures
 - Supplies are acquisitions that do not qualify for capitalization
 - Equipment are acquisitions that do qualify for capitalization



Object Codes: 656 - Software

Object 656

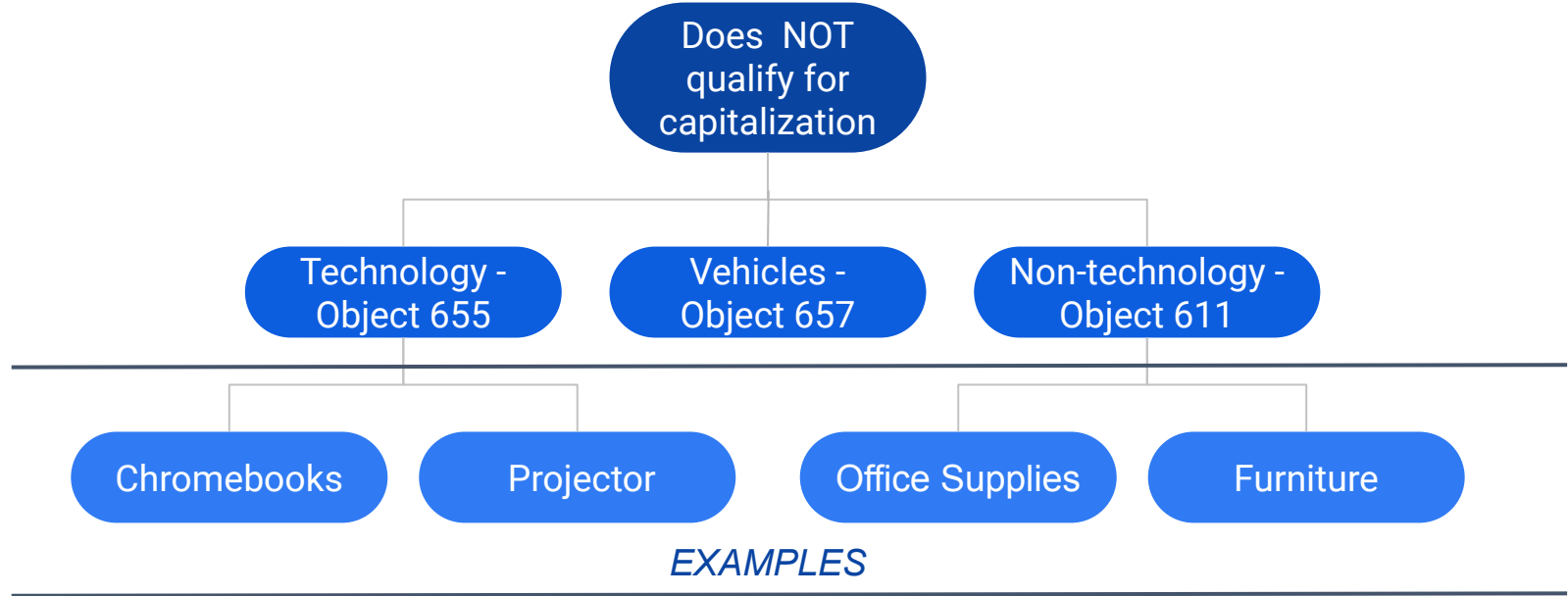


Software that is not a license or fee for services such as subscriptions to research materials over the Internet (such as downloads and online encyclopedias)

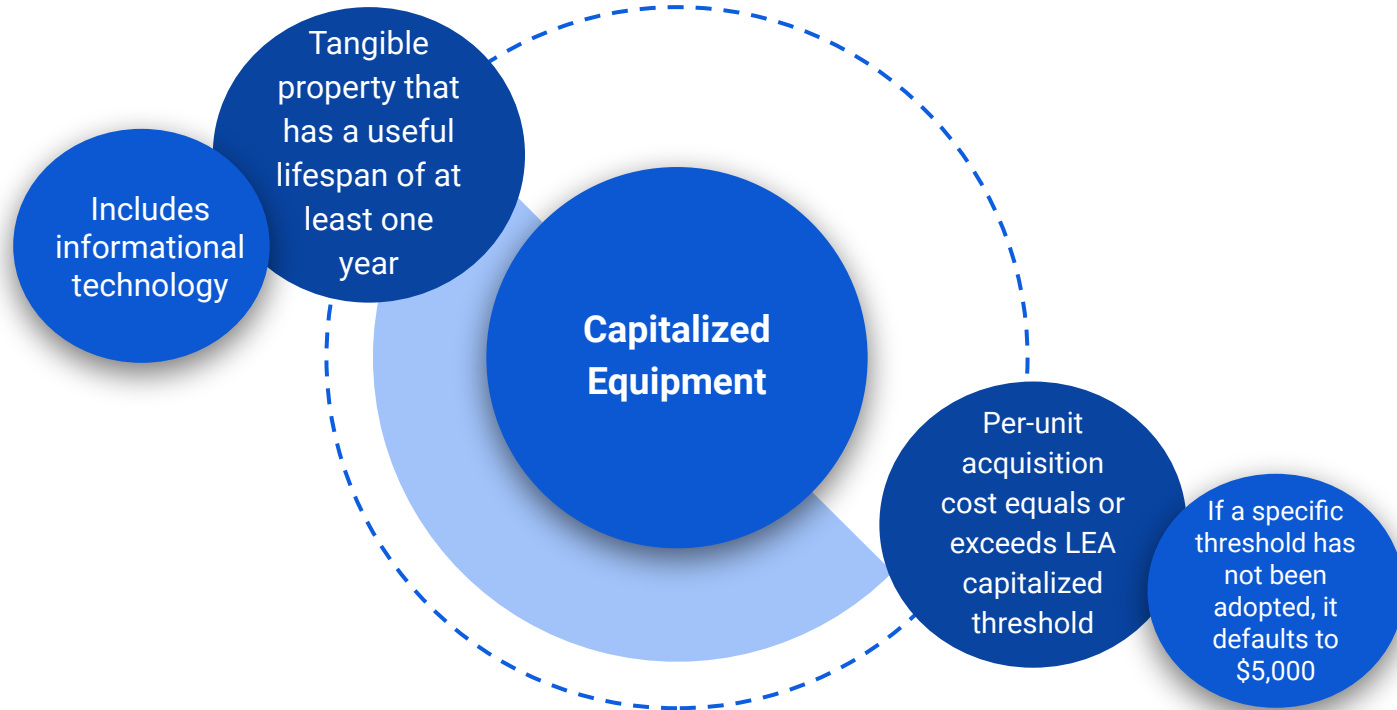
Object 742 will no longer be a valid code



Object Codes - Supplies



Capitalized Equipment

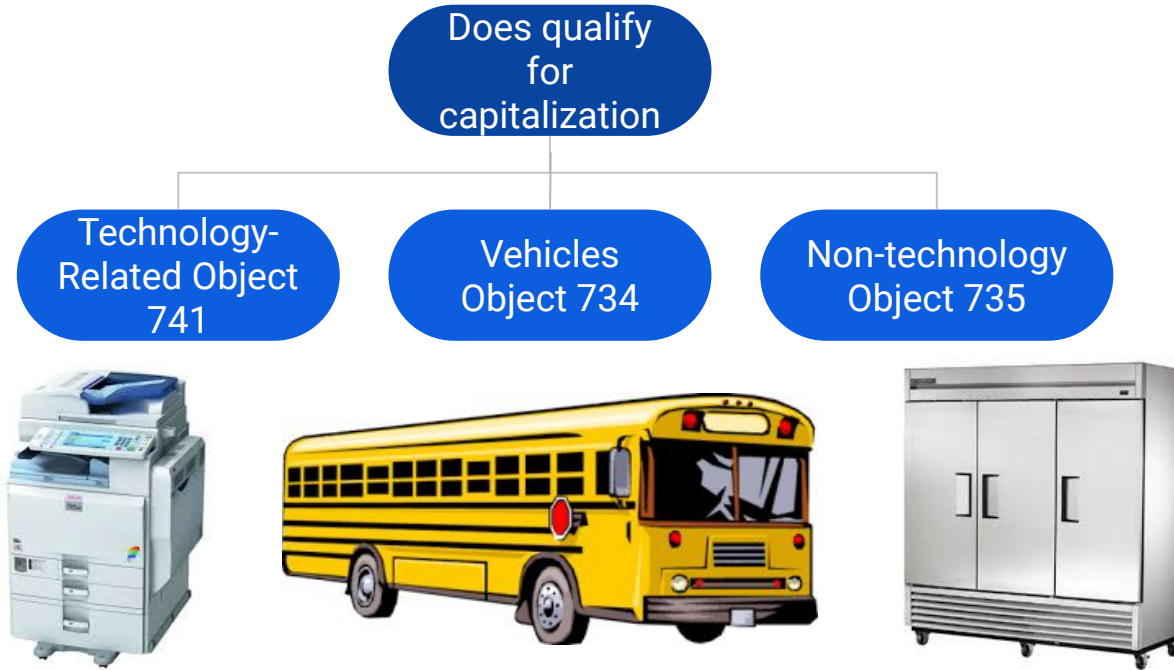


Capitalized Equipment - Capitalized Threshold

- The governing body should adopt an asset capitalization threshold.
- If the governing body adopts a capitalization threshold above \$5,000, when coding for the Form 9 use more restrictive threshold of \$5,000.
- If the governing body does not adopt a capitalization threshold, use the federal limit of \$5,000.
- Information should be retained in the event of an audit by State Board of Accounts or Indirect Cost Rate monitoring by IDOE.



Object Codes - Capitalized Equipment



Capitalized Equipment



Examples of What Does **NOT** Qualify as Capitalized Equipment:

100 Chromebooks
Fencing
Updated Lighting
40 iPads
20 Office Chairs
New Carpeting

These items are either not over the LEA's Capitalized Threshold per unit or are considered improvements.



Object Codes - 715: Improvements Other Than Buildings

Object code 715 includes expenditures the initial and additional improvement of sites and adjacent ways after acquisition by the school corporation consisting of such work as grading, landscaping, seeding, and planting of shrubs and trees; constructing new sidewalks, roadways, retaining walls, sewers and storm drains, installing hydrants; initial surfacing and soil treatment of playgrounds and tennis courts; furnishing and installing for the first time, fixed playground apparatus, flagpoles, gateways, fences, and underground storage tanks which are not parts of building service systems; and demolition work.



Purchases that better fit in this category should not be included on the supplemental schedule in step 7 and should be coded in your data file to object 715.



Object Codes - 720: Buildings



Object code 720 includes expenditures for acquiring existing buildings and construction of buildings, major permanent structural alterations, renovations, fire protection systems, and other service systems, except payments to public school housing authorities or similar agencies.

Purchases that better fit in this category should not be included on the supplemental schedule in step 7 and should be coded in your data file to object 720.



Contact Information

If you have any questions or would like additional assistance, please contact us at form9@doe.in.gov.



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